

Message Text

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ACTION EB-11

INFO OCT-01 ARA-11 EUR-25 ADP-00 CAB-09 CIAE-00 DODE-00

INR-09 NSAE-00 RSC-01 FAA-00 SS-14 NSC-10 XMB-07

INRE-00 IO-12 PA-03 PRS-01 NSCE-00 SSO-00 CCO-00

USIE-00 L-03 RSR-01 /118 W
----- 077512

O R 162207 Z MAR 73
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 6566
INFO USDOC IMMEDIATE
AMCONGEN MONTREAL IMMEDIATE
AMCONSUL CALI
AMCONSUL MEDELLIN

C O N F I D E N T I A L BOGOTA 2140

E. O. 11652: N/A
TAGS: ETRN, CO
SUBJECT: AIRPORT EQUIPMENT TENDER

REF: BOGOTA 2141

DEPT PSE PASS IMMEDIATELY TO FAA/ EXIMBANK/ WHITE HOUSE FOR PETER
M FLANIGAN

1. SUMMARY: AT CLOSE 8 - HR SESSION IN EIGHTH COMMISSION,
CHAMBER REPS YESTERDAY, MAR 15, CIVAIR DIRECTOR BARCO READ 9- PAGE
SUMMARY OF ICAO REPORT IN WHICH 4 - MEMBER ICAO TEAM AGREED THAT
NORTHROP- PAGE DID NOT RPT NOT OFFER COMPLETE PROPOSAL AND THAT
N- P PROPOSAL DID NOT CORRESPOND WITH SPECIFICATIONS. FULL 130-
PAGE ICAO REPORT NOT YET AVAILABLE. SPECIFICALLY CRITICIZED
WAS N- P' S OFFER OF MICROWAVE SYSTEM WHICH WAS QTE NOT INTEGRATED,
WHICH DIFFERS FROM ROUTE SPECIFIED, AND WHICH INCLUDES IMPRACTICAL
SOLUTIONS UNQTE. ICAO REPORT STATED THAT BRITISH AND FRENCH
PROPOSALS COMPLIED WITH SPECIFICATIONS AND RECOMMENDED
THAT ANALYSIS OF CIVAIR OFFICIALS BE TAKEN AS BASIC DOCUMENT FOR
ADJUDICATION OF AWARD. END SUMMARY
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2. YESTERDAY'S LONG SESSION EIGHTH COMMISSION HIGH- LIGHTED BY VIRTUOSO PERFORMANCE OF BARCO. PRACTICALLY WITHOUT OPPOSITION FROM DOZEN REPRESENTATIVES IN ATTENDANCE, HE QTE DEMONSTRATED UNQTE THAT REAL COST OF N- P PROPOSAL WAS US\$60 MILLION (MOST COST- EFFECTIVE PROPOSAL OF N- P) OR US \$65 MILLION (ALTERNATIVE) RATHER THAN \$ 25 AND \$30 MILLION AS N- P ACTUALLY QUOTED. BARCO FOUND, HOWEVER, THAT REAL COST OF BRITISH WAS US\$45.9 MILLION AND REAL COST OF FRENCH US\$46.5 MILLION, ALMOST EXACTLY WHAT WAS QUOTED AT OPENING OF ENVELOPES. BARCO FURTHER ALLEGED THAT COMPARATIVE QTE PRESENT VALUE UNQTE OF PROPOSALS WAS AS FOLLOWS: N- P \$20.5 MILLION (MOST COST EFFECTIVE PROPOSAL OF N- P), US\$25 MILLION (ALTERNATIVE); GEC US\$32.9 MILLION; THOMSON C. S. F. US\$34.7 MILLION. (COMMENT: BARCO' S DEFINITION OF PRESENT VALUE IS ESTIMATE OF COST AT CONSTANT PESOS IF PURCHASER WERE PAYING CASH TODAY.)

3. BARCO COMPLAINED OF QTE INTERNATIONAL PRESSURES UNQTE BY N- P IN ATTEMPTING WIN AWARD. HE MENTIONED CURIOUSLY LATE LOCAL APPEARANCE OF NEWSWEEK ARTICLE (INTERNATIONAL EDITION DEC 11, 1972; REPRINTED IN COLOMBIA JAN 9, 1973) AND FACT THAT N- P OFFICIALS HAD DELIVERED UNSOLICITED MEMORANDA TO MEMBERS AERONAUTICAL COUNCIL AND OTHER GOC OFFICIALS WHILE EVALUATION OF PROPOSALS IN PROGRESS. BARCO DENIED HE HAD EVER SAID ANY GOVT HAD EXERTED PRESSURES. NOTE: FOREIGN MINISTER HAD BEEN CITED TO APPEAR YESTERDAY TO VERIFY CHARGES OF FOREIGN PRESSURES BUT MINISTER ASKED FOR POSTPONEMENT ON GROUNDS THAT IT NECESSARY FOR HIM BE IN PANAMA FOR MTG UN SECURITY COUNCIL.

4. ALL NEWSPAPERS THIS MORNING MAR 16 CARRY ICAO REPORT AS WELL AS BARCO' S STATEMENT THAT ICAO REPORT IS COMPLETE VINDICATION AIRCIVIL SO FAR AS TECHNICAL OPINION CONCERNED. NEWSPAPERS ALSO CARRY BARCO' S STATEMENTS THAT ADJUDICATION OF AWARD REQUIRES CERTAIN STEPS STILL TO BE COMPLETED. AS OUTLINED IN MAR 13 LETTER TO PRESS FROM PRESIDENTIAL SECRETARY RAFAEL NARANJO, THESE STUDIES WILL BE UNDERTAKEN BY (A) AERONAUTICAL COUNCIL; (B) NATIONAL PLANNING DEPT; (C) ECONOMIC POLICY COUNCIL; (D) COUNCIL OF MINISTERS. ICAO TEAM LEADER THOMAS FRANZETTI (CHILEAN) QUOTED IN PRESS AS SAYING WHOLE AFFAIR WAS TEMPEST IN TEAPOT BECAUSE N- P CLEARLY DID NOT COMPLY WITH SPECIFICATIONS.

5. COMMENT: YESTERDAY' S SESSION OF EIGHTH COMMISSION ENDED
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WITH APPLAUSE FOR BARCO AND APPARENT NATIONALISTIC SATISFACTION
THAT HE WAS QTE VINDICATED UNQTE. THERE WERE STRONG IMPLICATIONS
IN BARCO' S REMARKS TO EIGHTH COMMISSION (AND CARRIED IN NEWSPAPERS
THIS MORNING) THAT N- P HAD MISREPRESENTED FACTS ABOUT THEIR
PROPOSAL AND HAD INSPIRED MALICIOUS AD HOMINEM CAMPAIGN IN
NEWSPAPERS
TO UNDERCUT HIM. NO MATTER WHAT FUTURE STEPS USG AND N- P
MAY NOW WISH TO CONSIDER (SEE SEPTTEL BOGOTA 2141) HARSH TRUTH
IS THAT BARCO' S POSITION HAS IMPREMATUR OF ICAO TEAM.
SACCIO

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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

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30 JUN 2005

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